



COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

DONALD L. WOLFE, Director

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P.O. BOX 1460
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IN REPLY PLEASE

REFER TO FILE: **PD-1**

June 29, 2006

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**INTERSTATE 5/HASLEY CANYON ROAD INTERCHANGE IMPROVEMENTS
COUNTY OF LOS ANGELES-LOS ANGELES COUNTY METROPOLITAN
TRANSPORTATION AUTHORITY FEDERAL-AID FUNDS EXCHANGE AGREEMENT
SUPERVISORIAL DISTRICT 5
3 VOTES**

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and instruct the Mayor of the Board to sign the enclosed Exchange Agreement between the County of Los Angeles (County) and the Los Angeles County Metropolitan Transportation Authority (Metro) providing for the County to exchange \$20.6 million of County funds for an equivalent amount of Federal Surface Transportation Program-Local (STP-L) for the proposed Interstate 5/Hasley Canyon Road Interchange Improvements project.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On January 31, 2006, Item No. 35, your Board approved Funding Agreement No. 75550 between the County and Newhall Land and Farming Company (Newhall Land) for the design and construction of this project. The Funding Agreement provided for Newhall Land to finance its share of construction cost of the project, currently estimated to be \$20.6 million. The County is to administer the construction of the project. In order to maximize the use of available Federal funds in the County region, we propose to administer the construction of this project with Federal funds under the

STP-L Program. Since the County has fully programmed all of its available STP-L entitlement funds, the County proposes to exchange local funds for an equal amount of Metro STP-L funds for this project. Metro will make the local funds available to cities within the County for projects that would qualify for STP-L funds. Cities will benefit by being able to use the less restrictive funds for transportation purposes without having to administer their projects under the Federal process.

Metro has established procedures that permit the transfer of STP-L funds between public agencies. The approval of the enclosed Exchange Agreement is required under these procedures. This exchange of funds is mutually beneficial to and in the general interest of the County, other local agencies, and Metro.

Implementation of Strategic Plan Goals

This action meets the County Strategic Plan Goal of Service Excellence as it provides local agencies with less restrictive funds for the improvement of their local streets for the benefit of the motoring public. It also meets the Goal of Fiscal Responsibility by maximizing the use of available Federal funds for the benefit of the County region.

FISCAL IMPACT/FINANCING

There will be no impact to the County's General Fund.

The total construction cost for the Hasley Canyon Road project is currently estimated to be \$33.722 million. Funding for this project will be included in the Fiscal Year 2006-07 Road Fund Budget with reimbursement as follows: \$2.6 million from Castaic Bridge and Major Thoroughfare Construction Fee District fees, \$4.2 million from Tesoro del Valle Project Regional Transportation fees, \$6.322 million from Metro's Call for Projects grant funds, and \$20.6 million in STP-L funds made available by Metro. The County will forward payments received from Newhall Land to Metro until the total amount of \$20.6 million is repaid.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Agreement No. 75550 between the County and Newhall Land includes provisions that allow for Newhall Land's financial contribution toward the Hasley Canyon Road project to be used for other transportation purposes in the County.

The enclosed Exchange Agreement has been reviewed and approved as to form by County Counsel and Metro.

The Honorable Board of Supervisors
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ENVIRONMENTAL DOCUMENTATION

The California Environmental Quality Act requires public agency decision-makers to document and consider the environmental impacts of their actions. On October 19, 2004, Synopsis No. 42, your Board approved the Negative Declaration certified by the State of California Department of Transportation on July 23, 2001, and the finding of no significant impact determination by the Federal Highway Administration on August 15, 2001, prepared for the project.

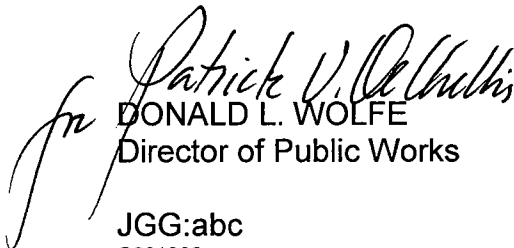
IMPACT ON CURRENT SERVICES (OR PROJECTS)

The Old Road and Hasley Canyon Road are major arterial highways on the County's Highway Plan, and the proposed improvements are needed and of general County interest.

CONCLUSION

Enclosed are two copies of the Exchange Agreement. Upon approval by your Board, please return one copy of the Exchange Agreement marked ORIGINAL along with one adopted copy of this letter for further processing. The Exchange Agreement marked COUNTY ORIGINAL is for your files.

Respectfully submitted,


DONALD L. WOLFE
Director of Public Works

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Enc.

cc: Chief Administrative Office
County Counsel

EXCHANGE AGREEMENT

This Exchange Agreement ("AGREEMENT"), made and entered into as of June 15, 2006, by and between the County of Los Angeles, a political subdivision of the State of California (hereinafter referred to as "COUNTY") and the Los Angeles County Metropolitan Transportation Authority, the regional transportation planning and programming authority for the County of Los Angeles (herein after referred to as "METRO").

WITNESSETH

WHEREAS, COUNTY desires to perform the I-5/Hasley Canyon Road Interchange project, which consists of replacing the bridge on Hasley Canyon Road over I-5, constructing modern roundabouts at the intersections of Hasley Canyon Road and the Old Road and Hasley Canyon Road at the I-5 northbound on/off ramps, constructing new freeway ramps, and seismically retrofitting the bridge on I-5 over Castaic Creek (hereinafter referred to as "PROJECT"); and

WHEREAS, COUNTY is willing to perform or cause to be performed, all work necessary to construct PROJECT; and

WHEREAS, COUNTY is further willing to administer PROJECT with federal funds, in accordance with all requirements and restrictions related to those funds; and

WHEREAS, PROJECT construction cost is currently estimated to be \$33,722,000, of which \$6,322,000 is funded with a Proposition C 25% grant through the METRO Call for Projects, \$6,800,000 is funded with County Bridge and Major Thoroughfare (B&T) funds and developer Newhall Land and Farming (Newhall) has agreed to contribute an amount equal to the balance of PROJECT construction cost, currently estimated to be \$20,600,000, to be used for PROJECT or other transportation purposes in the County of Los Angeles and in connection therewith, Newhall has deposited \$3,500,000 with COUNTY and provided COUNTY with a letter of credit for the \$17,100,000; and

WHEREAS, COUNTY desires to exchange up to \$20,600,000 of County funds for up to \$20,600,000 of Federal Surface Transportation Program-Local (STP-L) funds, which County funds will be programmed by METRO for transportation purposes; and

WHEREAS, METRO has procedures that permit the transfer of STP-L funds between public agencies. METRO is willing to exchange such STP-L funds for an equal amount of County Funds; and

WHEREAS, COUNTY and Newhall have agreed that Newhall will make the above-referenced contribution pursuant to monthly billing invoices provided by COUNTY, corresponding to the monthly PROJECT construction costs incurred; and,

WHEREAS, current PROJECT schedule estimates advertising for construction bids in May 2006, beginning construction in October 2006, and completing construction by December 2008; and

WHEREAS, an exchange of funds as proposed herein is beneficial to and in the general interest of COUNTY and METRO, as well as other local agencies within the County of Los Angeles.

NOW THEREFORE, in consideration of the mutual benefits to be derived by COUNTY and METRO and of the promises contained herein contained, it is hereby agreed as follows:

(1) METRO AGREES:

a. To program STP-L funds to the COUNTY in the amount of up to \$20,600,000 in exchange for the COUNTY's payment to METRO of an amount equal to the amount of STP-L funds County receives under this Agreement ("COUNTY Funds"). METRO shall program the COUNTY Funds for transportation purposes. METRO shall complete such programming upon full execution of this AGREEMENT.

b. To accept COUNTY's payment of COUNTY Funds, in the manner specified in Paragraph (2) below.

c. To make the COUNTY Funds available to local agencies based on projects that qualify for STP-L funds.

(2) COUNTY AGREES:

a. To accept METRO's programming of STP-L funds, to take all steps necessary to draw down on the STP-L funds, and to expend the STP-L funds in accordance with the STP-L expenditure guidelines pursuant to Title 23, Section 133 of the Intermodal Surface Transportation Efficiency Act and subsequent reauthorizations, including the STP-L fund lapsing policy.

b. To notify METRO of the obligation of these funds by means of submitting a copy of the State of California Department of Transportation (Caltrans) approval (E76 form, or other official Caltrans notification of approval and obligation) upon receipt from Caltrans.

c. To invoice Newhall monthly during construction, as expenses are incurred.

d. To make monthly payments to METRO in an amount equal to the amount of STP-L funds obligated and received by the COUNTY for the corresponding month until COUNTY has repaid METRO the total amount of COUNTY Funds due to METRO pursuant to this AGREEMENT. . COUNTY intends to pay METRO upon reimbursement from Newhall for each invoice of the PROJECT work; provided, however, if Newhall fails to make payment to COUNTY, COUNTY shall either use other funds to pay METRO or COUNTY shall ensure Caltrans de-obligates a correspondingly equivalent amount of STP-L funds so METRO can reprogram the STP-L funds for other purposes.

e. If COUNTY fails to pay all or a portion of the COUNTY Funds to METRO under this AGREEMENT, and COUNTY fails to ensure that CALTRANS deobligates the corresponding amount of STP-L funds, then COUNTY hereby authorizes METRO to apply COUNTY's share of any Proposition A or Proposition C Local Return funds to any amount owing to METRO under this AGREEMENT at the time that is ninety (90) days from the date the PROJECT is open to the public. The balance remaining of COUNTY share of Proposition A or Proposition C Local Return funds after METRO offsets against amount owed under the Agreement shall then be released to COUNTY.

(3) IT IS MUTUALLY UNDERSTOOD AND AGREED AS FOLLOWS:

a. COUNTY shall fully indemnify, defend and hold METRO and its officers, agents and employees harmless from and against any liability and expenses, including, without limitation, defend costs, any costs or liability on account of bodily injury, death or personal injury of any person or for damage to or loss of risk of property, any environmental obligations, any legal fees and any claims for damages of any nature whatsoever arising out of (i) a breach of COUNTY's obligations under this Agreement or (ii) any act or omission of COUNTY or its officers, agents, employees, contractors or subcontractors in the performance of the Project or the work described herein.

b. METRO shall fully indemnify, defend and hold COUNTY and its officers, agents and employees harmless from and against any liability and expenses, including, without limitation, defend costs, any costs or liability on account of bodily injury, death or personal injury of any person or for damage to or loss of risk of property, any environmental obligations, any legal fees and any claims for damages of any nature whatsoever arising out of (i) a breach of METRO's obligations under this Agreement or (ii) any act or omission of METRO or its officers, agents, employees, contractors or subcontractors in the performance of the work described herein.

c. This AGREEMENT may be amended or modified only by mutual written consent of METRO and COUNTY.

d. Any correspondence, communication, or contact concerning this AGREEMENT shall be directed to the following:

COUNTY:

Mr. Donald L. Wolfe
Director of Public Works
County of Los Angeles
P.O. Box 1460
Alhambra, CA 91802-1460

METRO:

Mr. Roger Snoble

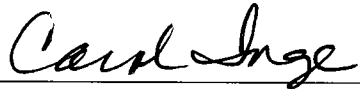
Chief Executive Officer
Los Angeles County Metropolitan Transportation Authority
One Gateway Plaza
Los Angeles, CA 90012-2952

- e. This AGREEMENT constitutes the entire understanding between the parties with respect to the subject matter herein.
- f. This AGREEMENT shall be governed by California law.

IN WITNESS WHEREOF, the parties hereto have caused this AGREEMENT to be executed by their respective officers, duly authorized, by the Los Angeles County Metropolitan Authority on _____, 2006, and by the County of Los Angeles on _____, 2006.

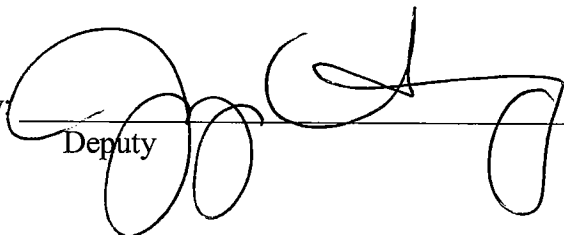
METRO:

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

By: 
Roger Snoble
Chief Executive Officer

APPROVED AS TO FORM:

Raymond G. Fortner, Jr.
County Counsel

By: 
Deputy

COUNTY:

COUNTY OF LOS ANGELES

By: _____
Mayor, Los Angeles County

ATTEST:

SACHI A. HAMAI
Executive Officer of
the Board of Supervisors of
the County of Los Angeles

BY _____
Deputy